

BONDED INDEBTEDNESS

The City finances a substantial portion of its traditional municipal capital improvements with general obligation bonds. However, certain capital improvements are financed with revenue bonds. The City's Capital Implementation Program (CIP) consists of a ten-year program, with a general obligation bond election held every odd-numbered year to approve the two-year capital budget portion of the program. It was the policy of the City for more than ten years to maintain a stable tax rate of approximately 20 mills for general obligation bond debt service. Capacity to issue bonds in future years was calculated by using a tax production at 20 mills and assumed new issues would have level annual principal payments for a ten-year retirement. Beginning in 1986, successive statewide reassessments to bring locally assessed property values up to the statutory requirement of "current and correct" resulted in large increases in net-taxable value and reduced substantially the debt service mill levy required to meet debt service on outstanding general obligation bonds.

In putting together both the CIP program for the next bond election and the Decade Plan, the City continues to assume a stable mill levy, (at 7.976 mills), approximately equal annual principal payments, and a maximum maturity on the bonds of ten years. The City's 2005 ten-year CIP plan has been reviewed by the Environmental Planning Commission (EPC) and recommendations have been forwarded to the Mayor. The level of project funding requested at the October 2005 election will be approximately \$121 million. The funding is expected to stay near this level of \$120 million per bond cycle for the foreseeable future.

Utility and enterprise projects are funded directly out of revenues or with revenue bonds supported by net revenues. To the extent that net revenues of the enterprise produce minimal coverage or fall short in the start up years for discrete projects, gross receipts taxes have been pledged as additional security. Gross receipts taxes have been used to secure parking structure revenue bonds, airport revenue bonds, lodgers' tax bonds, to finance the construction of the convention center and a

municipal office building, and to acquire another office building.

The total outstanding general obligation indebtedness of the City as of July 1, 2005 is \$239.205 million shown in the table on the next page. The City does not have any short-term tax revenue anticipation notes outstanding. The amount of general-purpose general obligation debt of the City is limited to 4% of assessed valuation; debt for water and sewer purposes has no limit. As of July 1, 2005, the 4% statutory limit is \$331.4 million versus outstanding general-purpose debt of \$186.77 million, leaving \$144.65 million available for future issues. In a regular municipal election on October 28, 2003, the voters approved the issuance of \$93.9 million of general purpose general obligation and \$11.6 million of storm sewer system general obligation bonds. On May 17, 2004, the City issued \$35.8 million of the general purpose bonds. In a special municipal bond election held on November 2, 2004, the voters approved the issuance of \$52.4 million of general purpose general obligation street improvement bonds. All bonds authorized from all previous elections have been issued.

The Albuquerque Metropolitan Arroyo Flood Control Authority (AMAFCA) is a special purpose district that overlaps Albuquerque. The amount of debt it can issue is limited by state statute. AMAFCA is authorized \$40 million of which \$28.30 million is issued and outstanding as of May 1, 2005, with \$24.21 million payable from taxable property within the City.

The Albuquerque Bernalillo Water Utility Authority was created in 2003, by the New Mexico Legislature adopted Laws 2003, Chapter 437 (Section 72-1-10, NMSA 1978). The legislation also provides that the debts of the City payable from net revenues of the Water/Sewer System shall be debts of the Authority and that the Authority shall not impair the rights of holders of outstanding debts of the Water/Sewer System. Although the debt is no longer part of the City's debt obligation the following table provides the outstanding bonds for the Water Utility Authority for informational purposes.

CITY OF ALBUQUERQUE, NM
SCHEDULE OF BONDED INDEBTEDNESS
July 1, 2005

| | <u>RATINGS/CR. ENH.</u> (Moody's/S&P/Fitch) | <u>FINAL</u> <u>MATURITY</u> | <u>ORIGINAL</u> <u>AMT ISSUED</u> | <u>AMOUNT</u> <u>RETIRED</u> | <u>AMOUNT</u> <u>OUTSTANDING</u> | <u>INTEREST</u> <u>RATES</u> |
|--|--|---------------------------------|--------------------------------------|---------------------------------|-------------------------------------|---------------------------------|
| GENERAL OBLIGATION BONDS: | | | | | | |
| | Aa3/AA/AA | | | | | |
| MAR'94 STORM SEWER | | 07/01/03 | 15,000,000 | 15,000,000 | 0 | 4.9-5% |
| FEB'96 GENERAL PURPOSE* | | 07/01/04 | 23,025,000 | 23,025,000 | 0 | 5% |
| FEB'96 STORM SEWER | | 07/01/05 | 3,500,000 | 1,000,000 | 2,500,000 | 5-5.5% |
| FEB'97 GENERAL PURPOSE* | | 07/01/05 | 44,620,000 | 42,920,000 | 1,700,000 | 5% |
| FEB'97 STORM SEWER | | 07/01/06 | 6,700,000 | | 6,700,000 | 5% |
| FEB'98 GENERAL PURPOSE* | | 07/01/05 | 38,030,000 | 33,830,000 | 4,200,000 | 4.0 - 5.0% |
| FEB'98 STORM SEWER | | 07/01/07 | 6,350,000 | 0 | 6,350,000 | 5% |
| FEB'99 GENERAL PURPOSE* | | 07/01/06 | 16,870,000 | 12,870,000 | 4,000,000 | 3.625-3.95% |
| FEB'99 STORM SEWER | | 07/01/08 | 4,760,000 | 0 | 4,760,000 | 4.0-4.05% |
| AUG '99 GENERAL PURPOSE* | | 07/01/09 | 24,105,000 | 14,105,000 | 10,000,000 | 4.500-4.875% |
| JUL'00 GENERAL PURPOSE* | | 07/01/10 | 44,080,000 | 43,630,000 | 450,000 | 5.00% |
| JUL'00 STORM SEWER | | 07/01/10 | 6,750,000 | | 6,750,000 | 5.00% |
| SEP '01 GENERAL PURPOSE* | | 07/01/11 | 46,315,000 | 20,645,000 | 25,670,000 | 4.0-5.0% |
| SEP '01 STORM SEWER | | 07/01/11 | 4,510,000 | | 4,510,000 | 4.375% |
| OCT '01 TAXABLE STADIUM | | 07/01/10 | 10,000,000 | 4,000,000 | 6,000,000 | 4.0 - 5.6% |
| FEB '02 GENERAL PURPOSE* | | 07/01/09 | 20,000,000 | 6,600,000 | 13,400,000 | 2.50 - 5.0% |
| FEB '02 STORM SEWER | | 07/01/11 | 5,600,000 | | 5,600,000 | 4.50-4.50% |
| JUL'03 EQUIPMENT | | 07/01/04 | 8,750,000 | 8,750,000 | 0 | 2.50% |
| JUL'03 GENERAL PURPOSE | | 07/01/12 | 81,805,000 | 25,250,000 | 56,555,000 | 2.50%-5.00% |
| JUL'03 STORM SEWER | | 07/01/13 | 9,440,000 | | 9,440,000 | 3.00%-4.50% |
| May '04 GENERAL PURPOSE (SHORT TERM) | | 09/01/04 | 30,000,000 | | 30,000,000 | 1.320% |
| May '04 GENERAL PURPOSE | | 07/01/05 | 5,800,000 | | 5,800,000 | 2.200% |
| SUBTOTAL - GENERAL OBLIGATION BONDS | | | \$456,010,000 | \$251,625,000 | \$204,385,000 | |
| | | | | | \$157,775,000 | |
| | | | | | 46,610,000 | |
| * Subject to 4% constitutional limit on general obligation debt. | | | | | | |
| Water & Sewer (constitutional unlimited) | | | | | | |
| REVENUE BONDS: | | | | | | |
| AIRPORT | | | | | | |
| | A1/A+/A+ | | | | | |
| MAY'95 AIRPORT SUB LIEN ADJ TENDER RFDG | CIBC L/C | 07/01/14 | 67,000,000 | 19,600,000 | 47,400,000 | 6.685% (swap rate) |
| APR'97 AIRPORT REFDG REVENUE | AAA (AMBAC) | 07/01/18 | 33,310,000 | 6,245,000 | 27,065,000 | 6.25-6.75% |
| AUG'98 AIRPORT REFDG REVENUE | AAA (AMBAC) | 07/01/19 | 42,685,000 | 5,245,000 | 37,440,000 | 3.80% - 5.00% |
| MAY '00 AIRPORT SUB LIEN ADJ TENDER REV TAXEXEMPT | AAA (AMBAC) | 07/01/20 | 7,200,000 | 1,700,000 | 5,500,000 | floating-weekly |
| MAY '00 AIRPORT SUB LIEN ADJ TENDER REV TAXABLE | AAA (AMBAC) | 07/01/20 | 40,000,000 | 21,300,000 | 18,700,000 | floating-weekly |
| AUG. '01 AIRPORT REFDG REVENUE | AAA (AMBAC) | 07/01/16 | 42,550,000 | 3,235,000 | 39,315,000 | 2.9% - 5.375% |
| March 04 AIRPORT REFDG REVENUE | AAA (MBIA) | 07/01/18 | 20,610,000 | 0 | 20,610,000 | 1.63% - 5.11% |
| March 04 AIRPORT REVENUE | AAA (MBIA) | 07/01/24 | 30,000,000 | 0 | 30,000,000 | 2.0% - 4.5% |
| SUBTOTAL - AIRPORT | | | \$283,355,000 | \$57,325,000 | \$226,030,000 | |

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SCHEDULE OF BONDED INDEBTEDNESS
July 1, 2005

| | <u>RATINGS/CR. ENH.</u> <u>(Moody's/S&P/Fitch)</u> | <u>FINAL</u> <u>MATURITY</u> | <u>ORIGINAL</u> <u>AMT ISSUED</u> | <u>AMOUNT</u> <u>RETIRED</u> | <u>AMOUNT</u> <u>OUTSTANDING</u> | <u>INTEREST</u> <u>RATES</u> |
|---|---|---------------------------------|--------------------------------------|---------------------------------|-------------------------------------|---------------------------------|
| GROSS RECEIPTS TAX (1.225% STATE SHARED) | A1/AA/AA | | | | | |
| NOV'96 REFUNDING | | 07/01/11 | 18,315,000 | 9,115,000 | 9,200,000 | 4.5-5% |
| MAR '99 REFUNDING REVENUE | | 07/01/22 | 27,130,000 | | 27,130,000 | 4.75 - 5.25% |
| JAN. '00 VARIABLE RATE TAXABLE SERIES 2000A | | 07/01/14 | 25,600,000 | 2,100,000 | 23,500,000 | floating-weekly |
| FEB. '01 TAXABLE GOLF REVENUE/GRT BONDS SERIES 2001 | | 07/01/11 | 2,420,000 | 535,000 | 1,885,000 | 5.7 - 6.7% |
| APR. '01 HELICOPTER NMFA LOAN | | 07/01/06 | 700,000 | 402,884 | 297,116 | 3.27-3.87% |
| OCT. 02 NMFA Stadium Lease Loan | | | 6,000,000 | 140,214 | 5,859,786 | |
| DEC. 02 NMFA Stadium Surcharge Loan | | | 9,000,000 | 239,706 | 8,760,294 | |
| SUBTOTAL - GRT (1.225% STATE SHARED) | | | \$89,165,000 | \$11,215,000 | \$76,632,196 | |
| GROSS RECEIPTS/LODGERS' TAX | | | | | | |
| NOV'91 SERIES 1991B - left after partially refunding by Series 1999B | AAA(FSA) | 07/01/19 | 15,923,656 | 4,320,000 | 19,579,016 | 5.1-7.1% (CABs) |
| MAR'95 SERIES 1995 | CIBC L/C | 07/01/23 | 6,700,000 | 5,400,000 | 1,300,000 | floating-weekly |
| FEB 99 SERIES 1999B REFDG | | 07/01/25 | 45,335,000 | | 45,335,000 | 4.60-5.00% |
| SUBTOTAL - GROSS REC/LODGERS' TAX | | | \$67,958,656 | \$9,720,000 | \$66,214,016 | |
| (1) Amount outstanding represents the accreted value of the Capital Appreciation Bonds (CAB) as of 1/1/05 | | | | | | |
| MUNICIPAL GROSS RECEIPTS TAX | A1/AA/AA | | | | | |
| MAY'92 REFUNDING | | 07/01/07 | 11,420,000 | 7,680,000 | 3,740,000 | 5-6.3% |
| FEB'99 SERIES 1999 A REFDG ('95) | | 07/01/15 | 6,070,000 | 1,260,000 | 4,810,000 | 4.25 - 5.0% |
| SUBTOTAL - MUNICIPAL GRT | | | \$17,490,000 | \$8,940,000 | \$8,550,000 | |
| JOINT WATER AND SEWER | Aa3/AA/AA | | | | | |
| JUN'90 A-IMPROVEMENT | | 07/01/15 | \$9,991,710 | \$2,625,000 | \$24,113,838 | 6-7.17% (CABs) |
| JAN'94 A-RFDG & IMPRMNT | | 07/01/05 | 103,095,000 | 93,555,000 | 9,540,000 | 2.75-4.6% |
| AUG'95 IMPROVEMENT | | 07/01/07 | 38,940,000 | 24,840,000 | 14,100,000 | 3.625-6% |
| JUL'97 IMPROVEMENT | | 07/01/09 | 46,715,000 | 20,775,000 | 25,940,000 | 4.75% |
| JAN'99 A - RFDG & IMPROVEMENT - New Money and refunded Series 1992 (partial) | | 07/01/11 | 93,030,000 | 25,610,000 | 25,610,000 | 4.0-5.25% |
| MAY'00 A - RFDG FWD - refunded Series 1990B (partial) | | 07/01/06 | 26,375,000 | 17,285,000 | 9,090,000 | 5.000% |
| DEC '01 - IMPROVEMENT | | 07/01/13 | 30,000,000 | 300,000 | 29,700,000 | 3.0- 4.50% |
| May '02 - NMFA PPRF Loan | | 07/01/14 | 450,000 | 60,616 | 389,384 | 2.33 - 4.32% |
| May '02 - NMFA DWRLF Loan | | 07/01/14 | 2,450,000 | 341,395 | 2,108,605 | 2.75% |
| April '03 - NMFA DWRLF Loan | | 07/01/15 | 3,600,000 | 268,339 | 3,331,661 | 3.00% |
| SUBTOTAL - JOINT WATER & SEWER | | | \$354,646,710 | \$185,660,350 | \$185,733,488 | |

(1) Amount outstanding represents the accreted value of the Capital Appreciation Bonds (CAB) as of 1/1/04

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July 1, 2005

| | <u>RATINGS/CR. ENH.</u> <u>(Moody's/S&P/Fitch)</u> | <u>FINAL</u> <u>MATURITY</u> | <u>ORIGINAL</u> <u>AMT ISSUED</u> | <u>AMOUNT</u> <u>RETIRED</u> | <u>AMOUNT</u> <u>OUTSTANDING</u> | <u>INTEREST</u> <u>RATES</u> | |
|--|---|---------------------------------|--------------------------------------|---------------------------------|-------------------------------------|---------------------------------|---------------|
| REFUSE REMOVAL AND DISPOSAL | | | | | | | |
| SEP'92 - Partially refunded by 2001 B - left outstanding | A1/AA-/AA | | | | | | |
| JUL'95 REFUNDING | AAA (AMBAC) | 07/01/12 | 15,990,000 | 15,435,000 | 555,000 | 3.4-5.75% | |
| JAN'98 | AAA (AMBAC) | 07/01/09 | 13,515,000 | 5,880,000 | 7,635,000 | 3.85-5.3% | |
| MAY01 A IMPROVEMENT | AAA (AMBAC) | 07/01/13 | 10,170,000 | 3,295,000 | 6,875,000 | 3.75%-4.625% | |
| MAY01 B REFUNDING | AAA (AMBAC) | 07/01/08 | 3,385,000 | 1,355,000 | 2,030,000 | 4.0-4.1% | |
| MAY04 NMFA Loan | AAA (AMBAC) | 07/01/12 | 10,820,000 | 95,000 | 10,725,000 | 3.625-5.25% | |
| | | | 5,800,000 | | 5,800,000 | | |
| SUBTOTAL - REFUSE | | | \$59,680,000 | \$26,060,000 | \$33,620,000 | | |
| SUBTOTAL - REVENUE BONDS | | | \$872,295,367 | \$298,920,350 | \$596,779,700 | | |
| SPECIAL ASSESSMENT DISTRICT BONDS | | | | | | | |
| SAD 223 A (JUN'95) | Parity Lien | Bank of America | 1/1/2015 | 6,245,000 | 6,045,000 | 200,000 | 4.75-6.45% |
| SAD 223 B (JUN'95) | Parity Lien | Bank of America | 1/1/2015 | 1,510,000 | 1,115,000 | 395,000 | 5-6.65% |
| SAD 224 A (FEB'99) | Parity Lien | | 7/1/2009 | 3,955,000 | 3,405,000 | 550,000 | 3.65-5.10% |
| SAD 224 B (FEB'99) | Parity Lien | | 7/1/2009 | 995,000 | 905,000 | 90,000 | 3.65-5.10% |
| SAD 224 C (FEB'99) | | | 7/1/2009 | 360,000 | 360,000 | 0 | 4.791-6.09% |
| SAD 226 Tax-exempt NMFA Loan (JUL '00) | | | 7/1/2011 | 11,568,376 | 9,612,785 | 1,955,591 | 4.72% - 5.18% |
| SAD 226 Taxble NMFA Loan (JUL '00) | | | 7/1/2011 | 788,685 | 700,872 | 87,813 | 7.26 - 7.36% |
| SAD 225 Tax-exempt NMFA Loan (NOV '00) | | | 7/1/2011 | 3,867,500 | 3,001,407 | 866,093 | 4.55% - 5.20% |
| SAD 222 Tax-exempt NMFA Loan (OCT '00) | | | 7/1/2011 | 2,605,539 | 1,606,145 | 999,394 | 2.6% - 4.26% |
| SAD 216 Tax-exempt NMFA Loan (MAY '02) | | | 7/1/2012 | 1,314,322 | 654,873 | 659,449 | 1.82% - 4.47% |
| SAD 227Tax-exempt NMFA Loan (FEB '04) | | | 7/1/2014 | 8,170,888 | 0 | 8,170,888 | .79% - 3.34% |
| SAD 227 Taxable NMFA Loan (FEB '04) | | | 7/1/2014 | 404,255 | 0 | 404,255 | 1.15% - 4.71% |
| SUBTOTAL - SAD BONDS | | | \$43,364,565 | \$28,986,082 | \$14,378,483 | | |
| SAD BONDS SUMMARY: | | | | | | | |
| W/ GAS TAX PLEDGE | | | 11,555,000 | 10,805,000 | 750,000 | | |
| W/ SURPLUS W/S PLEDGE | | | 2,730,000 | 2,245,000 | 485,000 | | |
| W/O CITY REV. PLEDGE | | | 27,360,988 | 15,281,209 | 12,079,779 | | |
| | | | 41,645,988 | 28,331,209 | 13,314,779 | | |
| GRAND TOTAL - GENERAL OBLIGATION, REVENUE & SAD BONDS | | | | | \$815,543,183 | | |